

UNITED STATES DEPARTMENT OF AGRICULTURE

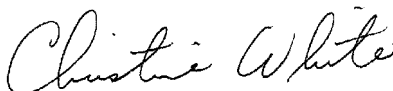
Farm Service Agency
Washington, DC 20250

Notice SU-64

For: Sugar Beet Processors, Sugar State Offices, and Service Centers

2000 Sugar Payment-in-Kind (PIK) Program Accepted Offers

Approved by: Acting Deputy Administrator, Farm Programs



1 Overview

A

Background

Eligible 2000 Sugar PIK Program bids received in KC-ITSDO from sugar processors were accepted based on:

- having correct ID on CCC-744
- \$20,000 payment limitation not exceeded
- shares correctly entered and added to a sum total of 1.000
- all other terms and provisions of procedure and FR notice were met.

The amount of CCC inventory sugar available for the program will exceed the amount requested under 2000 Sugar PIK; therefore; no bids were rejected because of unavailability of CCC-refined sugar inventory.

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Disposal Date	Distribution
January 1, 2001	Sugar State Offices; State Offices relay to Sugar Service Centers

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1 Overview (Continued)

B

Purpose

This notice provides State Offices and Service Centers with:

- instructions for:
 - accessing a list of accepted bids
 - reviewing and correcting offer data
 - approving CCC-744's
 - accepting producer certification of accepted offered acreage
 - additional guidance on:
 - withdrawing and modifying bids
 - measurement service
 - program violations
 - sugar beet acreage certification on FSA-578
 - a sample letter used to notify producers with accepted bids.
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2 Bid Selection and Producer Notification Overview

A

Selection Process

As of September 13, 2000, not all bids received by KC-ITSDO from sugar processors had been fully processed. FSA was unable to fully process all bids received because some of the questionable or erroneous data could not be corrected before the payment limitation processing deadline. These bids were excluded from the final evaluation process and will be handled on a case-by-case basis when the data is corrected.

Some bids received by KC-ITSDO contained erroneous or missing data that had to be corrected by the National Office before the bid could be fully processed. The erroneous data was corrected on the automated worksheet for most bids. However, because of the number and variety of errors discovered during the evaluation process and the limited time available to correct the errors, most producers were not notified that the automated worksheet used to calculate their bids may contain data different from that on CCC-744. Therefore, Service Centers shall:

- correct the applicable data on CCC-744 according to paragraph 3
- obtain the producer's initials and date on all corrections made to CCC-744.

Note: See paragraph 3 for reviewing and changing the bid data.

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2 Bid Selection and Producer Notification Overview (Continued)

A

Selection Process (Continued)

The total amount of CCC inventory sugar available for the program will exceed the total amount of sugar requested by producers for diverting 2000 sugar beet acreage. Therefore, all bids received by KC-ITSDO that met the basic eligibility criteria and were fully processed have been accepted.

Note: Although not all bids were included in the final evaluation process because of unresolved data errors, sufficient CCC inventory sugar will be available to cover all eligible bids determined acceptable after September 13, 2000.

B

Producer Notification

On September 13, 2000, the National Office notified producers whose bids were acceptable as of that date in the 2000 Sugar PIK Program using a version of the letter provided in Exhibit 1.

Important: The letter in Exhibit 1 is for demonstration purposes only. Service Centers shall **not** send the letter, or any variation thereof, to any producer under any circumstances.

Producers with bids excluded from the final evaluation process because of questionable or erroneous data will be notified of the status of those bids after the data is corrected.

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3 Accessing, Reviewing, and Changing Bid Data

A

Accessing Bid Data

A report of accepted bids for the 2000 Sugar PIK Program is posted on the FSA State and County Office Intranet page at:
<http://intranet.fsa.usda.gov/edso/default.asp>.

Service Centers shall access the bid data by producer according to this table.

Step	Action
1	Select "Sugar PIK" on the FSA State and County Office Intranet home page.
2	Enter the producer's ID number from CCC-744.
3	Compare the bid data listed for the applicable bid number to the bid data on the associated CCC-744. See subparagraph B.
4	Repeat steps 2 and 3 for each signatory to CCC-744.
	Important: Some producers' ID numbers and shares were corrected by the National Office during the evaluation process. Therefore, each producer's ID number must be entered to ensure that the bid data and ID number on CCC-744 match the bid data and ID number posted on the Intranet for that producer.

B

Reviewing and Changing Bid Data

Because of the number and variety of different errors discovered during the evaluation process and the limited time available to correct the errors, most producers were not notified that the errors were corrected on the automated worksheet.

For each bid listed on the report and accessed according to subparagraph A, Service Centers shall ensure that:

- the bid data on the report matches the bid data on the associated CCC-744

Note: CCC-744, item 10 is "Total Bid Amount". The "Producer's Share of Total Value" on the report is calculated at the producer share level. The "Total Bid Amount" on CCC-744 is equal to the sum of "Producer's Share of Total Value" amounts of all producers sharing on CCC-744.

- all signatories to CCC-744 have assigned the CCC inventory sugar to be awarded to the applicable sugar processor by marking the "Yes" assignment box

Important: According to the automated worksheets submitted by the sugar processors, all producers assigned the CCC inventory sugar to be awarded to the applicable processor.

- CCC-744, item 24 is completed.

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3 Accessing, Reviewing, and Changing Bid Data (Continued)

B

Reviewing and Changing Bid Data (Continued)

For those bids that the producer's ID and/or bid data on CCC-744 does **not** match the producer's ID and/or bid data on the report, Service Centers shall make corrections to CCC-744 according to this table.

Step	Action
1	<p>Correct the data on CCC-744 to match the data on the report.</p> <p>Service Centers shall not make any corrections or modifications to any:</p> <ul style="list-style-type: none">• data on CCC-744, except for the corrections that make CCC-774 data match the data on the report• CCC-744 not on the report. <p>Important: FSA employees making corrections to CCC-744 must initial and date the corrections.</p>
2	<p>When the producer identifies the acres to be diverted (CCC-744, items 14, 15, and 16), inform the producer of all of the following:</p> <ul style="list-style-type: none">• data on CCC-744 does not match the data on the automated worksheet used to determine eligibility• CCC-744 must be corrected to match the automated worksheet data• producer must initial and date the corrected data on CCC-744• liquidated damages will be assessed according to Notice SU-60 if the producer does not agree to the corrections. <p>Note: Only 1 producer is required to initial and date the corrections to CCC-744.</p> <p>If the producer has identified the acres to be diverted before receipt of this notice, the Service Center shall immediately notify the producer of all of the above by the quickest means available.</p>

During the evaluation process, some sugar processors had producers initial and date the corrections made to the processor's copy of CCC-744. Sugar processors were informed to mail those corrected copies to the same location the original CCC-744's were mailed. Service Centers shall attach the corrected copy of CCC-744 to the original CCC-744.

Continued on the next page

3 Accessing, Reviewing, and Changing Bid Data (Continued)

B Reviewing and Changing Bid Data (Continued)

Example: John Brown submitted a bid for the 2000 Sugar PIK Program to ABC Sugar Company. After the end of signup, ABC Sugar Company sent their automated worksheet to KC-ITSDO and mailed the original CCC-744's to the State Office according to Notice SU-60. ABC Sugar Company maintained a copy of CCC-744's.

During the review process, the National Office discovered an incorrect ID number on Mr. Brown's bid. The National Office contacted ABC Sugar Company and confirmed the error. ABC Sugar Company obtained the correct ID number from Mr. Brown and had him initial and date the correction on their copy of CCC-744.

ABC Sugar Company FAXed the corrected CCC-744 to KC-ITSDO where the correction was entered into the automated worksheet. ABC Sugar Company also mailed the corrected CCC-744 to the State Office. The State Office attached the corrected CCC-744 to Mr. Brown's original CCC-744.

4 Policies for Approving CCC-744's

A Approving CCC-744's

CED shall sign CCC-744, item 23 if **all** of the following are met:

- data on CCC-744 matches the associated data on the report
- CCC-744, item 12C is completed
- CCC-744, items 14, 15, and 16 are completed
- **all** signatories have assigned CCC inventory sugar to the applicable sugar processor
- CCC-744, item 24 is completed
- producer has certified a location of diverted acreage and provided a map, according to subparagraph 5 B.

Bids submitted for the 2000 Sugar PIK Program are irrevocable. **Withdrawing bids is not authorized.** See paragraph 5.

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5 Policies Regarding Accepted Bids

A

Withdrawing or Modifying Bids

Bids submitted for the 2000 Sugar PIK Program are irrevocable. Withdrawing or modifying bids is **not** authorized. Producers electing not to participate in the program after the bid is accepted shall be assessed liquidated damages according to Notice SU-60, paragraph 7.

B

Acreage Certification

Producers shall provide a field map to the applicable Service Center that indicates:

- delineation of the exact location of diverted sugar beet acreage
- farm number or numbers (CCC-744, item 14)
- tract number or numbers (CCC-744, item 15)
- field number or numbers (CCC-744, item 16).

Diverted acreage:

- shall be clearly marked on the map
- may include measurements or other verifying data.

The map shall be attached to CCC-744.

Diverted land shall meet all eligibility and size requirements in Notice SU-60, paragraph 6 and Notice SU-61, subparagraph 2 C.

Important: Sugar beet acreage previously certified on FSA-578 **shall not** be changed because of acreage being diverted under the 2000 Sugar PIK Program.

C

Acreage Measurement Service

When requested by the producer, Service Centers shall perform a paid-for measurement service for the acres accepted in the 2000 Sugar PIK Program. Paid-for measurement service by FSA is not required; however, measurement service conducted by any source other than FSA is not guaranteed by FSA.

D

Program Violations

Producers found in violation of the terms of CCC-744 or other program policies shall be assessed liquidated damages according to Notice SU-60, paragraph 7.

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6 Spot Check Procedures

A

Conducting Spot Checks

A future notice will provide spot-checking procedure for the 2000 Sugar PIK Program.

Important: Neither State Offices nor Service Centers shall request or review any processor contracts with growers unless directed by DAFP.

7 Action

A

Service Center Action

Service Centers shall:

- immediately review the data on the Intranet report for each signatory to CCC-744 to ensure that the data on CCC-744 matches the data on the report
- make corrections to CCC-744 according to paragraph 3.

CED shall sign CCC-744, item 23 when all requirements are met according to paragraph 4.

B

State Office Action

State Offices shall ensure that all applicable Service Centers:

- receive a copy of this notice
 - properly follow the processes outlined in this notice.
-

C

National Office Action

As of the date of this notice, payment limitation reconciliation and errors and omissions on CCC-744 were continuing. Accordingly, additional bids will continue to be determined acceptable.

Additional procedure will be provided for Service Center action regarding approval of CCC-744's for bids after receipt of this notice.

Example Notification Letter

The following is an example of the notification letter producers received regarding the acceptance of their 2000 Sugar PIK Program bid.

September 13, 2000

John Smith
12345 Broadmore St.
Fargo, ND 68750

ID 999999999S

Thank you for your bid(s) to divert sugar beet acreage under the 2000 Sugar Payment-In-Kind (PIK) Program. This document serves as notification that your bid(s) listed below have been accepted by Commodity Credit Corporation (CCC). As you agreed on the CCC-744, the bid(s) are irrevocable and may not be withdrawn or modified by you in any manner.

During the bid evaluation process, data was added or modified on certain CCC-744's because of incomplete or erroneous entries. You must initial and date any corrections made on your CCC-744, "Irrevocable Offer and Contract to Participate in the 2000 Sugar Payment-In-Kind Diversion Program".

Please contact the applicable Farm Service Agency service center within 10 days of the date of this notification to review the CCC-744 and initial and date any corrections. You must also report to FSA the exact location of the sugar beet acreage you have agreed to divert under the 2000 Sugar PIK Program. The CCC-744 cannot be approved by FSA until you have completed the preceding steps. Accordingly, you should not destroy or divert any sugar beet acreage until after the CCC-744 is approved by FSA.

OFFER	PROCESSOR	DOL/ACRE	ACRES	ST/COUNTY
13	Amalgamated Sugar	\$1,345.65	10.0	ID TWIN FALLS
23	Amalgamated Sugar	\$1,876.90	5.8	ID TWIN FALLS